

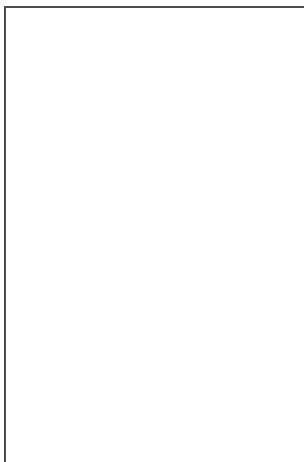


LISA ADKINS 2018-09-14

SPECULATIVE FINANCE AND THE TRANSFORMATION OF THE SOCIAL

ECONOFICTION CAPITAL, DERIVATE, FINANCE, MARXISM, MONEY, SPECULATION, TIME

Are the temporal dimensions of money, debt and finance important? How and why should social scientists engage with these questions? These are the key lines of inquiry that drive my new book *The Time of Money*.



For many social scientists the answer to these questions is obvious, especially when placed in the context of the expansion of finance from the 1970s onwards. Indeed, if there is one sentiment that unites commentators on the expansion and operations of finance, regardless of their political, disciplinary or sub-disciplinary persuasions, it is that the speculative character of finance concerns a problematic, and even dangerous, temporal relation. This is the case, so the story goes, because the speculative principle operating at the very core of finance enables the present to be underwritten and funded by borrowing from the future. Financial speculation is, then, very broadly understood to comprise a specific temporal relation. In a context where repressed wages, rising asset prices, precarious employment and transfers of the costs of life from the state and employers to populations have meant that people must turn to finance and especially to indebtedness to live, the speculative

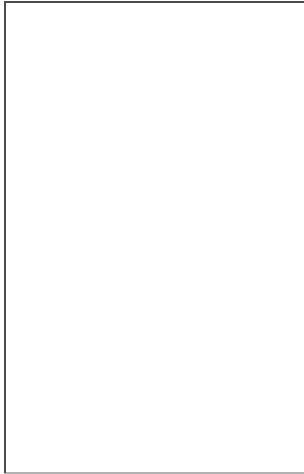
principle has become embedded in everyday life and, moreover, makes life possible. Given that this principle is doxically understood to concern a borrowing from the future that enables a present, it is perhaps of little surprise that its embedding in everyday life has been broadly understood in dystopian terms: everyday speculation not only enrolls people into lifetimes of payments and ties borrowers to futures that are not and can never be their own, but it also shuts down the possibilities of time since it renders the present beholden to those pre-possessed and pre-set futures. Time as a plane for the creation of new possibilities is therefore foreclosed. As Maurizio Lazzarato has put it, when life depends on the speculative principle, society is lived with a 'strange sensation of living ... without time'. When life depends on speculation, banks and other institutions of credit therefore not only pre-own collective futures but they also appropriate time.

In *The Time of Money* I challenge these orthodoxies about finance and time. True, the speculative principle is at the very heart of life and should not be understood to be limited to the financial field alone. True, also, that the speculative principle is one that centres on time. At issue in the speculative principle, however, is not a closing down of time but the production of a specific temporal universe that activates and maximises the capacities of populations to create surplus for a mode of accumulation that centres on money. Calculations of debt loading and the schedules and rhythms of debt, including the schedules of home mortgage payments, for example, focus not on the probabilities of repayment across working lives – as they did in the Keynesian era – but on the possibilities of payment across whole life times. These are, moreover, schedules that can be sped up, slowed down, suspended and even reversed. Such everyday payments contribute to the creation of liquid assets in the form of securities in global finance markets. But they also tie populations and their practices to an indeterminate and non-chronological flow of time. It is this time which should properly be recognised as being at the very heart of speculation and indeed as being at the very heart of financial practices. In post-Bretton Woods finance markets, for example, the key innovation has not been that finance became 'deregulated' or liberalised as is so often claimed, but that the relationship between time and money has been rewritten. Rather than money moving in (and measured by) chronological time, opportunities for profit have been opened out in the flow of a time where pasts, futures and presents do not stand in a predetermined or pre-set relation to each other but are in a continuous state of movement, transformation, and unfolding. Thus, in trading on post-Bretton Woods finance markets, futures may mediate not only the present but also the past; the present and its relation to the past and the future may be reset in one action (via, for example, index rolling); pasts and presents can be forwarded and futures and presents backwarded. It is, moreover, along the flows of these nonchronological pasts, presents, and futures, including their reordering and resetting and even their suspension, that channels for profit are created. In short, in post-Bretton Woods finance markets, profit lies in non-chronological and indeterminate movements of time.

In becoming enrolled in nonchronological and indeterminate schedules of payment, populations are, then, enrolled into the very time universe which yields profit for finance; indeed, this enrolment ensures that the practices and actions of populations are in alignment with this very time. Thus, in mastering the slowing down, speeding up, stretching out, compressing, suspending, and resetting of (and even defaulting on) schedules of debt and payment, populations expand opportunities for finance capital to generate surplus on those very adjustments and the nonchronological flows of money that such adjustments afford. And it is not only via mortgage and other forms of household payments that people are enrolled into this universe. In fact, the indeterminate and nonchronological time of speculation must be understood as a rationality which maximises the capacities of populations in regard to possible but not predictable events. The repressed and intermittent wages that are characteristic of the financial era, as well as precarious forms of work, and especially the demand that workers constantly adjust and adapt to unpredictable working times as well as to volatile and variable wages (not least to leverage debt in order to live), also enrolls populations into an indeterminate and unpredictable time universe.

It is, however, not just the employed, the waged or the mortgage bearing who must constantly adapt to the possible. Post-welfarist workfare and activation schemes command that would-be workers and potential workers constantly adjust to unpredictable and constantly morphing events. Regimes of benefit payment conditionalities are, for example, in a state of continuous renovation and mutation such that would-be workers must respond to last minute commands – such as to participate in unpaid work placements, training schemes and employability coaching – or risk losing benefit payments. At the same time, dwindling welfare payments, alongside state austerity measures that have placed further downward pressure on wages, continue to provoke more and more household and individual debt. The latter further open out the capacities of populations not simply to shoulder more debt, but to constantly adjust to the payment of the possible. In this context, everyday money emerges not as an index of any kind of external value, such as the value of labour or the costs of life, but as a speculative surface whose value lies in its potential to set things in motion, especially its potential to open out access to credit. Paradigmatic here is the transformation of the wage from the exchange of labour power for money into a point of leverage for access to credit and (as the Australian case demonstrates so clearly) access to financial assets such as superannuation. Rather than operating as a mediator of exchange or a measure of value, everyday money has emerged as a speculative surface.

The enrolment of people into an indeterminate time universe is therefore systemic. It takes place for the asset rich and asset poor, the employed and the unemployed, the overemployed and underemployed, the in work and out of work, and it does so, moreover, across whole life times. Indeed, what is critical about this indeterminate or speculative time universe is that it marks the threshold of life: crossing into life is to enter an existence that is to be secured and lived in the non-chronological and indeterminate flows of speculative time.



As well as outlining this enrolment of whole populations into this time universe, in *The Time of Money*, I also suggest that it is critical that the indeterminacy of this time should in no way be confused with a fragmentation or individualising of time. As Elizabeth Freeman and Miranda Joseph have recently reminded us, time binds. Specific time universes bind people, spaces, and things together in a manner that enables coordinated action to take place. But more than this, specific time universes organise people and their actions in such a way as to maximise their capacities toward productivity. This latter was made dazzlingly clear by E. P. Thompson in his 1967 essay on the significance of the sociotechnical device of the mechanical clock. As Thompson noted, the mechanical clock afforded coordinated modes of action and life forms that organised and disciplined people and their practices to maximise their productivity—and especially their labouring productivity—for industrial capitalism. But while Thompson suggested that the clock bound people and their actions to a mode of production centred on the direct extraction of surplus value from the human labouring body, in *The Time of Money* I suggest that in the financial era a range of sociotechnical devices—schedules, contracts, and timetables—bind people and their practices to a mode of accumulation centring on the generation of surplus from flows of money, including from flows of everyday money. Certainly, this involves specific labouring forms and labouring practices, including sporadic, intermittent, and uncertain forms of wage labour (as well as particular forms of employment contracting such as zero hour contracting). But the logic of speculation does not centre itself on labouring forms alone, precisely because the generation of surplus is centred on and in flows of money that are not contained in or by the coordinates of work or labour. In the financial era, what is critical instead are modes of practice through which the productive capacities of people in regard to flows of money can be activated and maximised. This includes the maximisation of such capacities in respect to payment streams flowing from households and capacities in the leveraging of volatile wages and other forms of income (including welfare payments) for mortgages, personal loans, and other forms of personal debt. At issue in regard to the sociotechnical devices of speculative time, therefore, is the affordance and organisation of modes of practice that maximise the productivity of entire populations in regard to nonchronological and indeterminate movements or flows of money.

The speculative rationality that is at the heart of everyday life should also be understood to be hardwired to the emergence of forms of life that are characterised not by equilibrium states and stasis but by disequilibrium, disproportion, and asymmetry. Households whose debts outstrip the probabilities of repayment, wages that do not cover the costs of life, and work that does not pay are all at issue here, as are forms of practice attuned not to the reproduction of labour but to the optimisation of payment. The speculative rationality that is at the heart of life is, then, not only about time but a broad-scale process of the rewriting of the social. But instead of recognising this process of rewriting, many commentators and analysts persist in understanding the expansion of finance as precipitating crises of various kinds: from crises of time through crises of measure to crises of social reproduction. In the *Time of Money* I suggest that such proclamations are an outcome of the reliance on a tradition of social thought that Bruno Latour has termed the 'sociology of the social'. This is a tradition with roots in the mid- to late-nineteenth century, a tradition that imagines the social as a field of the quantum of substances, equilibrium states, stasis, and seamless reproduction. In this imaginary, the disequilibrium states of the financial era—debt that outstrips working and lived lives, cuts in spending that provoke more debt, wages that do not cover the costs of life, money that does not measure, and the endless drive toward the limitlessness of the possible—can only ever be understood as signs of a social that is disintegrating and/or is crisis ridden. It also is because of an adherence to some of the core principles of the sociology of the social tradition that so many social scientists are unable or unwilling to recognise the productivity of money, debt, and finance in regard to the social, that is, to recognise how the operations of money, finance, and debt are now central to the dynamics of social formation.

Ultimately, then, *The Time of Money* is a call to social scientists to place these operations, and especially, the operations of the rationality of speculation, at the very heart of their inquiries. We are not witnessing a destruction of the social but its reorganisation.

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